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REMARKS/ARGUMENTS

The amendments above and the remarks below are in response to an Office Action mailed on September 22, 2004 and a telephonic interview with the Examiner on December 1, 2004. In the Office Action, all pending Claims 1-3, 5-9, 11-21, 24, 25, 28, 29 and 31-41 were rejected under 35 U.S.C. §103(a) over U.S. Patent No. 5,717,989 to Tozzoli et al. ("Tozzoli").

As noted in an Interview Summary mailed on December 6, 2004, Claim 25 of the present application was discussed during the interview. In addition to discussing Tozzoli, conventional occurrences of cancelled shipping requests were discussed and compared to Claim 25. In particular, instances of a shipper canceling further shipping of a package upon learning of a failure to pay by a purchaser were considered. These occurrences were contrasted with the present invention as described in newly amended Claim 25, wherein a hold command is routinely transmitted to the delivery service system prior to its departure from an intermediate location (normally while the package is en route toward the intermediate location, or being held at the intermediate location), and, in response to payment being received into escrow, a release command is transmitted to enable completion of delivery.

The Applicants understand that the term "automatic" was used in the interview, and therefore interpret its use in the Interview Summary, to refer to entry of the hold command in response to shipping as a normal, routine course of events, as opposed to is response to an after-arising emergency. For example, as shown in Figure 1, the seller 16 would enter the hold request in the I-COD web site 13 after initiating shipment through the shipment order system 38. This embodiment contemplates that the service embodying the invention may be ordered to be applied to an existing shipment order. Thus, many of the claims require only routine, rather than automatic, action and avoid use of the term "automatically" for the sake of clarity. That term is only used in the claims when requiring that the hold command be sent automatically, for example by the shipment order system 38 to the I-COD web site 13 when triggered by shipping of the package, in connection with the embodiment shown in Figure 2.

With respect to the method of Claim 25, it was noted that the hold command is issued routinely in response to a party ordering this service and not as a result of some emergency arising at an unexpected time. Also, it was noted that issuance of the hold command prior to

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departure of the package from the intermediate location ensures that the package is not delivered through the entire route to the purchaser. Holding the package at the intermediate location while awaiting payment into escrow minimizes the chance of delivery occurring without payment by the purchaser and reduces the shipping costs incurred with a conventional cash-on-delivery shipment.

The applicants' attorneys also noted that the invention is embodied in a commercial product called Exchange Collect, which is described at http://www.ups.com/content/kw/en/ resources/select/sending/options/exchange.html. In the Exchange Collect system, both the seller and the purchaser are protected against failure to pay and failure to provide the promised goods, respectively, while the goods may be shipped promptly without waiting for the results of a credit checking process or a letter of credit. Prompt shipment accelerates cash flow to the seller and promotes its reputation as a source for quick delivery, which benefits the purchaser. Thus, the differences that distinguish the claimed invention of Claim 25 from the cited art, in what the Examiner characterized as a crowed art, result in meaningful commercial advantages.

After the discussion of Tozzoli and the conventional shipping scenarios, the Examiner expressed a clearer understanding of the invention and Claim 25, but requested clarification of Claim 25 through identification of the linkages between the issuance of the hold command, delivery of the package by the delivery system and holding of the payment in escrow. In particular, Tozzoli does not teach providing a delivery process subject to a routinely imposed hold command that is released in response to receiving verification of payment into escrow, combined with distributing funds to the seller in response to receiving proof of delivery. Claim 25 has been amended accordingly and therefore should be allowable over Tozzoli, conventional emergency stoppage of deliveries due to non-payment, conventional cash-on-delivery shipping and the remaining cited references alone and in combination.

The remaining independent Claims 1, 21, 35, 36, 37 and 38 have also been amended to clarify distinctions over such prior art, and should therefore also be allowable over Tozzoli and the other cited references. Each of the remaining Claims 2-3, 5-9, 11-20, 24, 28, 29 and 31-34, and 39-41 depend from and further patentably distinguish respective ones of the independent claims and therefore should also be allowable. The rejections of the pending claims under 35 U.S.C. §103(a) over Tozzoli have been overcome.

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New Claims 42-45 depend from, and further patentably distinguish, Claim 25, and should therefore also be allowable.

In view of the remarks and amendments presented above, it is respectfully submitted that the pending claims of the present application are in condition for allowance. It is respectfully requested that a Notice of Allowance be issued in due course. The Examiner is requested to contact Applicants' undersigned attorney to resolve any remaining issues in order to expedite examination of the present application.

It is not believed that extensions of time or fees for net addition of claims are required, beyond those that may otherwise be provided for in documents accompanying this paper. However, in the event that additional extensions of time are necessary to allow consideration of this paper, such extensions are hereby petitioned under 37 CFR § 1.136(a), and any fee required therefore (including fees for net addition of claims) is hereby authorized to be charged to Deposit Account No. 16-0605.

Respectfully submitted,

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Lisa L. Rone

CLT01/4685365v3